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DRAFT STATUTORY INSTRUMENTS

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**2024 No.**

**The Contracts for Difference (Sustainable  
Industry Rewards) Regulations 2024**

**Part 3**

**Amendment of the Electricity Market Reform (General) Regulations 2014**

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**52.** The Electricity Market Reform (General) Regulations 2014<sup>(1)</sup> are amended as follows.

**Amendment to regulation 2 (interpretation)**

**53.** In regulation 2—

- (a) in the definition of “generator party applicant”, for “has the meaning given in regulation 12A(1)” substitute “means a generator party identified in regulation 12A(1) or 12D(1)”;
- (b) in the definitions of “supply chain implementation statement” and “supply chain statement”, after “development” insert “and sustainability”;
- (c) after the definition of “sustainability obligations”, insert—
  - ““sustainable industry reward implementation application” means an application under regulation 12D(1) for a sustainable industry reward implementation statement;
  - “sustainable industry reward implementation statement” means a statement provided by the Secretary of State under regulation 12F(1)(a) or (3)(a);
  - “sustainable industry reward statement” has the meaning given in regulation 2(1) of the Contracts for Difference (Allocation) Regulations 2014;”.

**Amendment to heading of Part 3 (Supply chain statements and documents)**

**54.** In the heading of Part 3 omit “and documents”.

**Amendment to regulation 9 (application for supply chain statements)**

**55.** In regulation 9—

- (a) in paragraph (3)(b), after “development” insert “and sustainability”;
- (b) at the end of paragraph (4)(c), omit “and”;
- (c) at the end of paragraph (4), insert—

“; and

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(1) [S.I. 2014/2013](#). Relevant amendments were made by [S.I. 2021/758](#).

- (e) increasing the sustainability of supply chains, in particular—
  - (i) increasing the long-term economic sustainability of supply chains;
  - (ii) minimising the negative environmental impacts of supply chains; and
  - (iii) delivering benefits to the communities in which supply chains operate.”.

**Amendment to regulation 10 (particulars of supply chain applications)**

56. In regulation 10, in paragraphs (1)(c)(i) and (2)(a), after “development” insert “and sustainability”.

**Amendment to regulation 12A (application for supply chain implementation statements)**

57. In regulation 12A(2)(c), after “development” insert “and sustainability”.

**Amendment to regulation 12B (particulars of supply chain implementation applications)**

58. In regulation 12B, in paragraphs (1)(d)(i) and (2)(a), after “development” insert “and sustainability”.

**Insertion of Part 3A (sustainable industry reward implementation statements)**

59. After regulation 12C insert—

“Part 3A

Sustainable industry reward implementation statements

**Application for sustainable industry reward implementation statements**

12D.—(1) Where the Secretary of State has provided, and not withdrawn, a sustainable industry reward statement in respect of a generating station that is the subject of a CFD, the generator party (the “generator party applicant”) may apply for a sustainable industry reward implementation statement by submitting a sustainable industry reward implementation application to the Secretary of State.

(2) The Secretary of State must not provide a sustainable industry reward implementation statement unless the Secretary of State is satisfied that—

- (a) the generator party applicant is the generator party in respect of the generating station; and
- (b) the generator party applicant has, fully or partially, fulfilled the obligations set out in the sustainable industry reward statement.

**Particulars of sustainable industry reward implementation applications**

12E.—(1) A sustainable industry reward implementation application must—

- (a) identify the generating station;
- (b) demonstrate that the generator party applicant has, fully or partially, fulfilled the obligations in the sustainable industry reward statement;
- (c) describe how the generating station is being established or altered;

- (d) include the information necessary in support of the matters in sub-paragraphs (a) to (c).
- (2) A generator party applicant must—
  - (a) identify any information included in, or in support of, a sustainable industry reward implementation application or otherwise provided to the Secretary of State in relation to the generating station to support the development and sustainability of supply chains which the generator party applicant considers is commercially confidential; and
  - (b) where such information is identified, provide reasons why the generator party applicant considers that disclosure of that information (other than to the Secretary of State for the purposes of deciding whether to provide or refuse a sustainable industry reward implementation statement) may damage the commercial interests of the generator party applicant or another person.
- (3) A generator party applicant must provide to the Secretary of State such additional information as the Secretary of State may require for the purpose of considering a sustainable industry reward implementation application.

#### **Providing sustainable industry reward implementation statements**

**12F.**—(1) The Secretary of State must as soon as practicable after a sustainable industry reward implementation application is received by the Secretary of State give a notice to the generator party applicant which includes—

- (a) a sustainable industry reward implementation statement which states the extent to which the generator party applicant has fulfilled the obligations set out in the sustainable industry reward statement; or
  - (b) a refusal to provide a sustainable industry reward implementation statement which states the extent to which the generator party applicant has failed to meet the minimum standards of contribution to the development and sustainability of supply chains, as set out in the sustainable industry reward allocation framework (within the meaning of regulation 2(1) of the Contracts for Difference (Allocation) Regulations 2014).
- (2) Paragraph (3) applies where the Secretary of State is satisfied that—
- (a) a sustainable industry reward implementation statement contains an error; or
  - (b) the information provided by a generator party applicant in, or in support of, a sustainable industry reward implementation application was materially incorrect.
- (3) Where this paragraph applies, the Secretary of State—
- (a) may revise the sustainable industry reward implementation statement and, as soon as practicable after doing so, must give a notice to the generator party which includes the matters mentioned in paragraph (1)(a); or
  - (b) may withdraw a sustainable industry reward implementation statement and, as soon as practicable after deciding to do so, must give a notice to the generator party which includes the matters mentioned in paragraph (1)(b).

Part 3B

*Confidentiality (Parts 3 and 3A) and documents”.*

#### **Amendment to regulation 13 (confidentiality)**

**60.** In regulation 13—

- (a) in paragraph (1)—
  - (i) after “supply chain implementation statement” insert “or a sustainable industry reward implementation statement”;
  - (ii) after “development” insert “and sustainability”;
  - (iii) at the end of sub-paragraph (b)(i) insert “or”;
  - (iv) omit sub-paragraph (b)(iii);
- (b) in paragraph (2)—
  - (i) for “or a supply chain implementation statement” substitute “, a supply chain implementation statement or a sustainable industry reward implementation statement”;
  - (ii) after “development” insert “and sustainability”.

**Amendment to regulation 17 (investment contracts)**

- 61.** In regulation 17(2), for “Part 3” substitute “Parts 3 and 3A”.